

MINUTES OF THE SPECIAL MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

June 11, 2008

On June 11, 2008, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met for a Special Meeting in the FCRHA Board Room, One University Plaza, 4500 University Drive, Fairfax, Virginia.

CALL TO ORDER

In the absence of Chairman Conrad Egan, FCRHA Vice Chair Ron Christian, called the Special Meeting of the FCRHA to order at 5:39 p.m. FCRHA Commissioners present or absent for a portion or all of the meeting were as follows:

PRESENT

Ronald Christian, Vice Chair
H. Charlen Kyle
Martin Dunn
Elisabeth Lardner
Robert Schwaninger
Albert J. McAloon
Lee A. Rau
Robert C. Carlson

ABSENT

Conrad Egan, Chair
John Kershenstein
Will Jasper

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Paula C. Sampson, Director; Mary A. Stevens, Deputy Director; John Payne, Deputy Director, Real Estate; Aseem Nigam, Director of Real Estate Finance and Grants Management (REFGM); Louise Milder, Associate Director, Real Estate Finance; Steven Solomon, Director, Financial Management Division; Elisa Johnson, Grants Coordinator; Tom Fleetwood, Strategic Planner. Other Fairfax County staff in attendance: David Stroh, Assistant County Attorney and FCRHA Counsel.

CHANGE TO ORDER OF AGENDA

A request was made to move Action Item 2 to the beginning of the agenda. Without objection, the agenda was so modified.

ACTION ITEMS

2. Olley Glen Senior Housing Development . (There are three separate Resolutions associated with this Action Item. Voting on each Resolution occurred following discussion of all three Resolutions. Results appear on Page 14 of these Minutes.

RESOLUTION NUMBER 21-08

Authorization to Issue Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (FHA-Insured Mortgage - Olley Glen Project) Series 2008 in an Aggregate Amount Not to Exceed \$14,300,000 and to Make Certain Subordinate Loans (Braddock District)

Resolution Authorizing (a) the Issuance and Sale of an Aggregate Principal Amount not to Exceed \$14,300,000 of Fairfax County Redevelopment and Housing Authority Multifamily Housing Revenue Bonds (FHA-Insured Mortgage – Olley Glen Project) Series 2008; (b) Approving the Making of a Mortgage Loan to be Insured by FHA Mortgage Insurance under the HUD Risk-Sharing Program; (c) Designating the Bonds as Limited Obligations of the Authority; (d) Approving and Authorizing the Sale of the Bonds; (e) Authorizing the Execution and Delivery of the Trust Indenture, The Loan Agreement, The Land Use Restriction Agreement, The Bond Purchase Agreement and The Official Statement in Substantially the Form made Available for Review, the Blue Sky Survey, the No Arbitrage Certificate and Tax Agreement, and other Documents Related to the Issuance and Sale of the Bonds, including Execution and Delivery of the Risk-Sharing Regulatory Agreement for Multifamily Housing Projects and any other Documents Necessary for the FHA Mortgage Insurance Under Section 542(c) of the Housing and Community Development Act of 1992, as Amended; (f) Requesting Authentication of the Bonds; (g) Appointing the Trustee, Bond Counsel and the Underwriters; (h) Approval to Enter into an Amended and Restated Limited Partnership Agreement for FCRHA Olley Glen LP with PNC Multifamily Capital or Related Entities, as Tax Credit Investor(s), and to Withdraw FCRHA Housing Assistance Corporation as the Co-General Partner and the Authority as the Limited Partner; (i) Making of a Loan up to \$6,300,000 in Fund 319, The Penny For Affordable Housing Funds to FCRHA Olley Glen LP; (j) Making of a Loan up to \$2,050,000 in U.S. Department of Housing and Urban Development Section 108 Funds to FCRHA Olley Glen LP; (k) Making of a Loan up to \$704,129 in Housing Trust Funds to FCRHA Olley Glen LP; (l) Making of a Loan up to \$2,788,471 in Federal Home Investment Partnerships Program Funds; (m) Making of a Loan up to \$650,000 in Community Development Block Grant Funds to FCRHA Olley Glen LP; and (n) Authorizing Proper Officers to do all Other Things Deemed Necessary or Advisable in Connection Herewith

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the “Authority”) is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, *Code of Virginia*, 1950, as amended (the “Act”), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act; and

WHEREAS, pursuant to and in accordance with the Act, the Authority desires to issue, sell, and deliver its Multifamily Housing Revenue Bonds (FHA-Insured – Olley Glen Project) Series 2008 (the “Bonds”) in an aggregate principal amount not to exceed \$14,300,000; and

WHEREAS, the proceeds of the Bonds will be used in part to provide financing for the construction of a 90-unit multifamily residential rental project for seniors known as Olley Glen (the "Project"), located in Fairfax County, at 4019, 4021, 4023 Olley Lane, Fairfax, Virginia; and

WHEREAS, the Project will be owned by FCRHA Olley Glen LP, a Virginia limited partnership (the "Owner"), for which the Authority will be managing general partner; and

WHEREAS, the Declaration of Intent evidencing the intent of the Authority to issue the Bonds in an amount not to exceed \$14,300,000 was executed on May 30, 2007 by Paula C. Sampson, Assistant Secretary to the Authority; and

WHEREAS, pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), the Authority is required to hold a public hearing ("TEFRA Hearing") in connection with issuance of the Bonds; and

WHEREAS, the Authority held the TEFRA Hearing on November 1, 2007; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing was approved by the Fairfax County Board of Supervisors; and

WHEREAS, on September 20, 2007, the Authority approved use of FHA mortgage insurance under the HUD Risk-Sharing Program provisions of Section 542(c) of the Housing and Community Act of 1992; and

WHEREAS, the Authority desires to enter into an Amended and Restated Limited Partnership Agreement for FCRHA Olley Glen LP with the tax credit investor(s), who shall be PNC Multifamily Capital or related entities and to withdraw FCRHA Housing Assistance Corporation as the co-general partner and the Authority as the limited partner; and

WHEREAS, the Authority desires to make a loan to the Owner in an amount not to exceed approximately \$6,300,000 in Fund 319, The Penny for Affordable Housing Funds to be used for the purpose of paying a portion of the Project related costs (the "One Penny Loan"); and

WHEREAS, the Authority desires to make a loan to the Owner in an amount not to exceed approximately \$2,050,000 in U.S. Department of Housing and Urban Development Section 108 Funds to be used for the purpose of paying a portion of the Project related costs (the "Section 108 Loan"); and

WHEREAS, the Authority desires to make a loan to the Owner in an amount not to exceed approximately \$704,129 in Housing Trust Funds to be used for

the purpose of paying a portion of the Project related costs (the "Home Trust Fund Loan"); and

WHEREAS, the Authority desires to make a loan to the Owner in an amount not to exceed approximately \$2,788,471 in Federal HOME Investment Partnerships Program Funds to be used for the purpose of paying a portion of the Project related costs (the "HOME Loan"); and

WHEREAS, the Authority desires to make a loan to the Owner in an amount not to exceed approximately \$650,000 in Community Development Block Grant funds to be used for the purpose of paying a portion of the Project related costs (the "CDBG Loan"); and

WHEREAS, in connection with the sale of the Bonds, the Authority desires to execute and deliver a Bond Purchase Agreement (the "Bond Purchase Agreement") with M.R. Beal & Company and Ferris, Baker, Watts, Inc. (the "Underwriters"); and

WHEREAS, there have been prepared proposed forms of:

(i) the Trust Indenture (the "Indenture") by and between the Authority and The Bank of New York, as trustee (the "Trustee"), pursuant to which the Bonds will be issued;

(ii) the Loan Agreement by and between the Authority and the Owner;

(iii) the Land Use Restriction Agreement by and among the Authority, the Trustee and the Owner;

(iv) the Bond Purchase Agreement by and among the Authority, the Owner and the Underwriters; and

(v) the preliminary Official Statement (the "Official Statement") to be used by the Underwriters in connection with the sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Section 1. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. **Issuance of the Bonds.** The Commissioners of the Authority (the "Commissioners") hereby authorize the issuance of the Bonds by the Authority, for the purpose of providing financing for the construction of the Project. The principal amount of the Bonds shall not exceed in the aggregate \$14,300,000. The Bonds shall be issued in authorized denominations as set forth in the Indenture, numbered as the Trustee shall determine, and shall be fully registered without coupons. The Bonds shall be dated and

shall bear interest at such rate or rates as set forth in the Indenture and approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature on such date or dates as provided in the Indenture.

The Bonds may be issued in book-entry form, registered in the name of Cede & Co., as the nominee of the Depository Trust Company, New York, New York ("DTC"), so long as the principal of, and interest on, the Bonds shall be payable in accordance with the procedures of DTC or any successor thereto. In the event that the Bonds are issued in certificate form, the principal of the Bonds shall be payable upon presentation thereof at the principal corporate trust office of the Trustee under the Indenture. The interest on the Bonds shall be paid by check or draft of the Trustee sent to the registered owners of the Bonds; provided, however, if requested in writing by the registered owner of at least \$1,000,000 in principal amount of the Bonds and if proper instructions are provided to the Trustee as required under the Indenture, the Trustee is hereby authorized to pay the interest on the Bonds by wire transfer to any such owner.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of the Authority, and the seal of the Authority shall be thereunto affixed (or imprinted or engraved if in facsimile) duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority or any other person authorized to do same ("Authorized Representative").

The Bonds shall be in the form set forth in the final form of the Indenture.

Section 3. **Sale of Bonds.** The Authority hereby authorizes the sale of the Bonds to the Underwriters and to any institutional investor that is required to purchase Bonds directly from the Authority, if applicable, pursuant to a Bond Purchase Agreement.

Section 4. **Limited Obligation.** The Bonds shall be limited obligations of the Authority, secured by and payable solely from the trust estate pledged under the Indenture.

THE BONDS AND THE INTEREST THEREON WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY THEREON BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY OF FAIRFAX, VIRGINIA, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND NEITHER THE COUNTY OF FAIRFAX, VIRGINIA NOR THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PLEDGED THERETO UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Section 5. **Indenture.** The Indenture is hereby approved in the form made available at this meeting. The Chairman or the Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Indenture in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman or the Vice Chairman, the execution of the Indenture being conclusive evidence of such approval and of the approval of the Authority; and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to affix the seal of the Authority to the Indenture and to attest same.

Section 6. **Trustee.** The Bank of New York is hereby appointed the Trustee under the Indenture. The Indenture may provide that the Trustee thereunder, or another corporate entity, shall act as bond registrar, paying agent and authenticating agent.

Section 7. **Delivery of Bonds.** After execution on behalf of the Authority, the Bonds shall be delivered to the Trustee, which is hereby authorized and requested to authenticate and deliver the Bonds to the Underwriters for the benefit of the registered owners thereof.

Section 8. **Bond Counsel.** Ballard Spahr Andrews & Ingersoll, LLP is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 9. **Underwriters.** M.R. Beal & Company and Ferris, Baker, Watts, Inc. are hereby appointed Underwriters in connection with the issuance and sale of the Bonds.

Section 10. **Bond Purchase Agreement.** The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman, the Vice Chairman, the Secretary, or an Assistant Secretary, the execution of the Bond Purchase Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 11. **Land Use Restriction Agreement.** The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Land Use Restriction Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority, the execution of the Land Use Restriction Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 12. **Tax Agreement.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver on behalf of the Authority (i) the No Arbitrage Certificate and Tax Agreement (the "Tax Agreement") prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of the Authority and (ii) an Internal Revenue Service Form 8038 relating to the Bonds prepared by Bond Counsel.

Section 13. **Loan Agreement.** The Loan Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Loan Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to affix the seal of the Authority to the Loan Agreement and to attest the same in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman or the Vice Chairman, the execution of the Loan Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 14. **Official Statement.** Use by the Underwriters of the Official Statement in substantially the preliminary form made available at this meeting in connection with the sale of the Bonds by the Underwriters is hereby authorized and approved, with such additions, deletions and modifications to the preliminary Official Statement as may be approved by counsel for the Authority. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the final Official Statement, the execution of which being conclusive evidence of the approval of the Authority.

Section 15. **Risk-Sharing Agreement.** The Risk-Sharing Regulatory Agreement for Multifamily Housing Projects (the "Risk-Sharing Agreement") is hereby approved in such form as may be approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary and counsel for the Authority. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Risk-Sharing Agreement; and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to affix the seal of the Authority to the Risk-Sharing Agreement and to attest same, the execution of which being conclusive evidence of such approval and of the approval of the Authority.

Section 16. **Blue Sky Survey.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority or, in their absence, any Authorized Representative is hereby authorized in the name and on behalf of the Authority to take any and all action, if any, which the Underwriters shall reasonable request and which the Chairman, Vice Chairman, Secretary or an Assistant Secretary may deem necessary, or advisable, with the advice of counsel for the Authority, in order to effect the registration or qualification (or exemption therefrom) of the Bonds for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith, to execute, acknowledge, verify, deliver, file or cause to be

published any applications, reports, consents to service of process and other papers and instruments which may be required under such laws, and to take any and all further action which such officer may deem necessary or advisable in order to maintain any such registration or qualification for as long as the Chairman, Vice Chairman, Secretary or an Assistant Secretary deems necessary or as required by law or by the Underwriters, provided, however, the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority shall not consent to service of process in any jurisdiction in which the Authority is not now subject to service of process.

Section 17. **Admission of Tax Credit Investor.** The Authority hereby approves entering into an Amended and Restated Limited Partnership Agreement for FCRHA Olley Glen LP with the tax credit investor(s), who shall be PNC Multifamily Capital or related entities and to withdraw FCRHA Housing Assistance Corporation as the co-general partner and the Authority as the limited partner.

Section 18. **Loan of One Penny Funds.** The Authority hereby approves the making of the One Penny Loan, such loan to (i) be subordinate to the Owner's obligations to make payments with respect to the Bonds, (ii) bear interest at the Applicable Federal Rate ("AFR") in effect at closing and (iii) be payable only after payment in full of the Bonds or upon transfer or refinancing of the Project or failure to comply with the One Penny Loan requirements.

Section 19. **Loan of Section 108 Funds.** The Authority hereby approves the making of the Section 108 Loan, such loan to (i) be subordinate to the Owner's obligations to make payments with respect to the Bonds and the One Penny Loan, (ii) bear interest at the Applicable Federal Rate ("AFR") in effect at closing and (iii) be payable only after payment in full of the Bonds and the One Penny Loan or upon transfer or refinancing of the Project or failure to comply with the Section 108 Loan requirements.

Section 20. **Loan of Housing Trust Funds.** The Authority hereby approves the making of the Housing Trust Fund Loan, such loan to (i) be subordinate to the Owner's obligations to make payments with respect to the Bonds, the One Penny Loan and the Section 108 Loan, (ii) bear interest at the Applicable Federal Rate ("AFR") in effect at closing and (iii) be payable only after payment in full of the Bonds, the One Penny Loan and the Section 108 Loan or upon transfer or refinancing of the Project or failure to comply with the Housing Trust Fund Loan requirements.

Section 21. **Loan of HOME Funds.** The Authority hereby approves the making of the HOME Loan, such loan to (i) be subordinate to the Owner's obligations to make payments with respect to the Bonds, the One Penny Loan, the Section 108 Loan and the Housing Trust Fund Loan, (ii) bear interest at the Applicable Federal Rate ("AFR") in effect at closing and (iii) be payable only after payment in full of the Bonds, the One Penny Loan, the Section 108 Loan and the Housing Trust Fund Loan or upon transfer or refinancing of the Project or failure to comply with the HOME Loan requirements.

Section 22. **Loan of CDBG Funds.** The Authority hereby approves the making of the CDBG Loan, such loan to (i) be subordinate to the Owner's obligations to make payments with respect to the Bonds, the One Penny Loan, the Section 108 Loan, the Housing Trust Fund Loan and the HOME Loan, (ii) bear interest at the Applicable Federal Rate ("AFR") in effect at closing and (iii) be payable only after payment in full of the Bonds, the One Penny Loan, the Section 108 Loan, the Housing Trust Fund Loan and the HOME Loan or upon transfer or refinancing of the Project or failure to comply with the CDBG Loan requirements.

Section 23. **Other Action.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and with respect to the securing, issuance and sale of the Bonds.

Section 24 **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Tax Agreement, the Bonds, the Risk-Sharing Agreement or in any other agreement, certificate or document executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 25. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of the Authority which are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Section 26. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 27. **Repealer; Effective Date.** Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NUMBER 22-08

Authorization to Enter into an Amended and Restated Limited Partnership Agreement of FCRHA Olley Glen, LP and Other Syndication Documents with PNC Multifamily Capital, or a Related Entity, for the Purpose of Constructing, Owning and Operating Olley Glen (Braddock District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA), was organized for the purpose, among others, of developing and operating low-income housing; and

WHEREAS, the FCRHA wishes to construct the project known as the Olley Glen , consisting of 90 units located in Fairfax, Virginia, which will be constructed, owned and operated as housing for low-income persons (the "Project") by FCRHA Olley Glen LP, a tax credit limited partnership in which the FCRHA will serve as the general partner; and

WHEREAS, the FCRHA formed a limited partnership known as FCRHA Olley Glen LP, (the "Partnership"), in which the FCRHA is (i) a co-general partner with FCRHA Housing Assistance Corporation, and (ii) the limited partner, which Partnership was formed for the purpose of constructing, owning and operating the Project; and

WHEREAS, the FCRHA, in its capacity as general partner and as sole limited partner of the Partnership, wishes to amend the partnership agreement of the Partnership to admit PNC Multifamily Capital or a related entity (PNC), upon transfer by the FCRHA of its limited partnership interest to PNC; and

WHEREAS, in consideration of its acquiring the limited partnership interest in the Partnership, PNC shall contribute equity to the Partnership in the approximate amount of \$7,409,162 ("Tax Credit Equity"); and

WHEREAS, to effectuate the admission of PNC as the limited partner in the Partnership, the withdrawal of FCRHA as the limited partner and the withdrawal of FCRHA Housing Assistance Corporation as a co-general partner in the Partnership, FCRHA and PNC shall enter into an amended and restated partnership agreement (the "Partnership Agreement") to evidence, among other things, their respective partnership interests and the obligations of PNC to provide the Tax Credit Equity; and

WHEREAS, in connection with the execution and delivery of the Partnership Agreement, PNC shall require that the FCRHA enter into various documents relating to the development and/or operation of the Project (the "Syndication Documents"); and

WHEREAS, the Commissioners of the FCRHA deem it to be in the best interests of the FCRHA to take all actions, for its own account and in its capacity as a

partner in the Partnership to facilitate the development, construction and financing of the Project and the contribution by PNC of the Tax Credit Equity, including the execution and delivery by the FCRHA of the Syndication Documents and any other related agreements, instruments and certificates and the taking of any and all further actions to facilitate the development, construction and financing of the Project, the withdrawal of FCRHA Housing Assistance Corporation as a co-general partner and the contribution of the Tax Credit Equity.

NOW, THEREFORE, BE IT RESOLVED, that the FCRHA authorizes Paula C. Sampson, Assistant Secretary, to negotiate and authorizes the Chairman, Vice Chairman, or any Assistant Secretary of the FCRHA to execute and deliver, on behalf of the FCRHA for its own account and in its capacity as seller of the Project and as a partner in the Partnership, as applicable, all necessary or appropriate documents, instruments and certificates, including, but not limited to, the following documents which have been made available to the FCRHA in substantially final form at its Special Meeting on June 11, 2008:

1. Amended and Restated Agreement of Limited Partnership (LPA) of FCRHA Olley Glen LP and all exhibits to the LPA
2. Unconditional Construction Completion Guaranty Agreement;
3. Right of First Refusal; and
4. Development Services Agreement

BE IT FURTHER RESOLVED, that any Assistant Secretary of the FCRHA be and hereby is authorized, empowered and directed, on behalf of the FCRHA, to take such actions set forth above and take such further actions, and to execute such additional documents and instruments, as the person taking such actions, or executing such documents or instruments, may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such Assistant Secretary on any documents or instruments or the performance of any such actions shall be conclusive evidence of such Assistant Secretary's authority to take such actions or execute such documents or instruments on behalf of the FCRHA for its own account and as seller of the Project and as a partner of the Partnership as applicable.

RESOLUTION NUMBER 23-08

Authorization for: 1) FCRHA Little River Glen II LLC (LRG II LLC) to Subdivide the 14.1338 Acre Property it Owns on Which the Development of Little River Glen II (Now Called Braddock Glen) Is Located and on Which the Proposed Olley Glen Project Will Be Located; 2) LRG II LLC to Enter Into a Purchase and Sale Agreement with FCRHA to Sell the Unimproved Parcel of the Subdivided Land Which is Approximately 7 Acres for \$2,050,000; 3) FCRHA to Enter Into a Purchase and Sale Agreement with LRG II LLC to Purchase the Unimproved Parcel of the Subdivided Land for \$2,050,000;

4) Reciprocal Easement Agreements for Access and Parking to be Entered Into Among the Owners of the Land at The Glens of Little River Campus ("Campus"), Little River Glen Limited Partnership and LRGII LLC, the Lessees of Land on the Campus, FCRHA Olley Glen LP and FCRHA, and, (When Effective) FCRHA as an Owner of Land on the Campus; 5) LRG II LLC to Assign to FCRHA and FCRHA and FCRHA Olley Glen LP to Accept Such Assignment and to Amend the Ground Lease Agreement; 6) LRG II LLC to Distribute the Proceeds from the Sale of the Unimproved Parcel to the FCRHA as the Sole Member of LRG II LLC and to Make any Amendments to the LRG II LLC Partnership Agreement Necessary to Permit Such Distribution; and 7) FCRHA to Make a Loan to FCRHA Olley Glen LP of Such Sale Proceeds in an Amount Up to \$2,050,000 for the Development of the Olley Glen Project (Braddock District)

WHEREAS, FCRHA Little River Glen II LLC (LRG II LLC) owns a parcel of property consisting of approximately 14.1338 acres at The Glens of Little River Campus (Little River Glen Parcel). On 7.13 acres, there is an existing building known as Braddock Glen which serves as an assisted living facility and adult day care center (Improved Parcel). The remaining 7 acres of land are unimproved (Unimproved Parcel); and

WHEREAS, FCRHA is the sole member of LRG II LLC; and

WHEREAS, LRG II LLC entered into a Ground Lease dated as of February 1, 2008 pursuant to which LRG II LLC leased approximately 4 acres of the Unimproved Parcel; and

WHEREAS, it is the desire of the FCRHA, as the sole member of LRGII LLC, for LRG II LLC to divide the Little River Glen Parcel into the Improved Parcel and the Unimproved Parcel and to sell the Unimproved Parcel consisting of approximately 7 acres to the FCRHA for \$2,050,000; and

WHEREAS, Fairfax County was approved by the U. S. Department of Housing and Urban Development (HUD) for \$8,350,000 under its Community Development Block Grant (CDBG) Section 108 Loan Program; and

WHEREAS, the FCRHA, as a sub recipient of such Section 108 Loan Program funds, will draw down \$2,050,000 of the Section 108 Loan; and

WHEREAS, the FCRHA proposes to purchase the Unimproved Parcel consisting of approximately 7 acres for \$2,050,000 from LRG II LLC; and

WHEREAS, LRG II LLC desires upon the occurrence of the sale of the land to assign the ground lease ("Ground Lease") between LRG II LLC and FCRHA Olley Glen LP providing for the development of the Olley Glen Project to the FCRHA; and

WHEREAS, FCRHA is the general partner of Little River Glen Limited Partnership, the owner of the land on which Little River Glen Project is constructed; and

WHEREAS, all owners and lessees of land constituting The Glens of Little River Campus desire to enter into reciprocal easement agreements to allow for mutual ingress, egress, and parking rights among all of the properties and developments existing or anticipated on the Campus; and

WHEREAS, the FCRHA and FCRHA Olley Glen LP desire to accept the assignment of the Ground Lease and all parties desire to amend the Ground Lease to accomplish the desired flexibility of parking, access and egress on the campus; and

WHEREAS, it is the desire of FCRHA, as sole member of LRG II LLC, to cause LRG II LLC to distribute the proceeds from the Unimproved Parcel sale in the amount of \$2,050,000 to the FCRHA; and

WHEREAS, the FCRHA, in its capacity as general partner of FCRHA Olley Glen LP, intends to loan the Unimproved Parcel sale proceeds it receives as sole member of LRG II LLC in the amount of up to \$2,050,000 to FCRHA Olley Glen, LP to be used for the development of the Olley Glen Project; and

WHEREAS, the proposed land division, the proposed sale of the Unimproved Parcel, the approved development of the Olley Glen Project, and the proposed reciprocal easements require the following, and any other related documents, to be executed:

1. Plat of Division of the LRG II LLC property and related Deed of Division
2. Purchase and Sale Agreement by and between LRG II LLC and FCRHA for the 7 acre Unimproved Parcel
3. Deed conveying 7 acre Unimproved Parcel from LRG II LLC to the FCRHA
4. Assignment of the Ground Lease between LRG II LLC and FCRHA Olley Glen LP to the FCRHA and the amendment of such Ground Lease
5. Reciprocal Easement Agreements for Access, Egress and Parking among LRG II LLC, FCRHA, Little River Glen Limited Partnership, and FCRHA Olley Glen LP

NOW, THEREFORE, BE IT RESOLVED, that the FCRHA authorizes the following actions, all as more particularly described in the recitals above and in the item presented to the FCRHA at its Special Meeting on June 11, 2008:

1. The LRG II LLC to subdivide the property it owns consisting of 14.1338 acres at The Glens of Little River into two parcels – the Improved Parcel, consisting of 7.13 acres on which the Braddock Glen Assisted Living and Adult Day Care

facility is located and the Unimproved Parcel of 7 acres on which the Olley Glen Project will be constructed.

2. The FCRHA and LRG II LLC to enter into a Purchase and Sale Agreement to sell the Unimproved Parcel for \$2,050,000 to the FCRHA.
3. The sale and conveyance of the Unimproved Parcel at The Glens of Little River Campus from LRG II LLC to the FCRHA for \$2,050,000.
4. LRG II LLC to distribute the proceeds from the sale of the Unimproved Parcel to its Sole Member, the FCRHA, and to amend the LRG II LLC Partnership Agreement, if necessary, to permit such distribution.
5. The FCRHA to make a partnership loan in the amount of up to \$2,050,000 to FCRHA Olley Glen LP for the development of the Olley Glen Project.
6. The LRG II LLC to assign the Ground Lease to the FCRHA.
7. The LRG II LLC, FCRHA Olley Glen LP, and the FCRHA to execute an assignment of the Ground Lease and an Amended and Restated Ground Lease.
8. The LRG II LLC, the FCRHA, FCRHA Olley Glen LP, and Little River Glen Limited Partnership to execute Reciprocal Easement Agreements for Access, Egress and Parking.

BE IT FURTHER RESOLVED, that the FCRHA hereby authorizes Paula Sampson, or any other Assistant Secretary of the FCRHA, to take such actions set forth above on behalf of the FCRHA and take such further actions, and to execute such documents and additional documents and instruments, as the Assistant Secretary taking such actions, or executing such documents or instruments, may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such Assistant Secretary on any documents or instruments or the performance of any such actions shall be conclusive evidence of such Assistant Secretary's authority to take such actions or execute such documents or instruments on behalf of the FCRHA for its own account and in its capacities as sole member of LRG II LLC, as the general partner of FCRHA Olley Glen LP, and as the general partner of Little River Glen Limited Partnership, as applicable.

A presentation was given by Louise Milder, Associate Director, Real Estate Finance and Grants Management (REFGM), with comments and clarifications given by Aseem Nigam, Director, REFGM, and David Stroh, Assistant County Attorney and FCRHA Counsel, on Resolutions 21-08, 22-08 and 23-08. Discussion followed during which Commissioner Dunn asked questions about the developer fee and expressed concerns about the increase in cost for the project. He subsequently requested that when the final bond resolution is prepared, that a chart be distributed that shows the changes in financing over time. Bond Counsel Margo Stern provided input on the financing, noting that it was similar to the Cedar Ridge transaction.

A motion was made by Commissioner Dunn, seconded by Commissioner Schwaninger, to adopt Resolution Number 21-08. A vote was taken and the motion passed unanimously.

A motion was made by Commissioner Kyle, seconded by Commissioner McAloon, to adopt Resolution Number 22-08. A vote was taken and the motion passed unanimously.

A motion was made by Commissioner Dunn, seconded by Commissioner Kyle, to adopt Resolution Number 23-08. A vote was taken and the motion passed unanimously.

The FCRHA then proceeded to consider Action Item #1.

1.

RESOLUTION NUMBER 20-08

Authorization to Submit Proposed Grant Applications Under the Fiscal Year 2008
U.S. Department of Housing and Urban Development
Super Notice of Funding Availability

NOW, THEREFORE, BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority authorizes the Department of Housing and Community Development to submit the following applications for grant funding to the U.S. Department of Housing and Urban Development as described in the Action item approved by the FCRHA on June 11, 2008:

- Housing Choice Voucher Family Self-Sufficiency Coordinator (\$66,000, each position)
- Resident Opportunity and Self-Sufficiency Service Coordinators (480,000)
- Public Housing Program Family Self-Sufficiency Coordinator (\$68,000)

Following a brief presentation by Elisa Johnson, Grants Coordinator, HCD, a motion was made by Commissioner Schwaninger, seconded by Commissioner Rau, to adopt Resolution Number 20-08. A vote was taken and the motion passed unanimously.

CONSIDERATION ITEM

Recommendation on Public Comments Received in Conjunction with the Fairfax County Redevelopment and Housing Authority (FCRHA) Annual Plan for Fiscal Year 2009

A presentation was given by Tom Fleetwood, HCD Strategic Planner, providing background on the recommendations presented and advised the FCRHA that comments received during the May 9, 2008 non-profit dialogue, where discussion was held on the Annual Plan for Public Housing and Housing Choice Voucher Programs for FY 2009, were similar to those raised during the March 6, 2008 Public Hearing on the same topic. Therefore, no further amendments were recommended by staff beyond those outlined in the Consideration Item.

Staff made two recommendations; (1) establishing an interagency staff group to meet periodically to discuss client and operational issues, and (2) scheduling an annual or semi-annual joint meeting of the FCRHA with the Community Services Board, Disability Services Board, and the Long-Term Care Coordinating Council.

Commissioner Rau asked about the status of the request received to set-aside 25% of units for persons with disabilities. HCD Director Paula Sampson advised the FCRHA that this issue will be discussed at a future meeting of the Board of Supervisors Housing Committee.

Without objection, FCRHA staff will implement the two recommendations presented by staff.

ADJOURNMENT

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kyle, to adjourn the meeting at 6:24 p.m. A vote was taken and the motion carried unanimously.

(Seal)

Ronald Christian, Vice Chairman

Paula C. Sampson, Assistant Secretary